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SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1922.

No. 476.

THEODORE A. HEYER, doing business as T. A. HEYER DUPLICATOR COMPANY,

Petitioner,

vs.

DUPLICATOR MANUFACTURING COMPANY,

Respondent.

BRIEF FOR PETITIONER.

Statement of the Case.

May It Please the Court:

This is a suit under claim 42 of the Flannigan patent No. 965,887, issued August 2, 1910, for an invention in Multiple Copying Machines, known in the trade as "duplicating machines." The machine, as a whole, is a large and complicated structure involving numerous parts and mechanisms for holding and feeding a duplicating band (gelatine roll) which rests upon the bed of the machine in position to impart to a blank sheet of paper the impressions which have been applied to the gelatine surface. The machine is one which is designed to repro-

duce a large number of copies from the gelatine before the ink impression has been exhausted. The defendant is not charged with having built duplicating machines, but on the contrary, is charged (1) with having obtained spindles or spools manufactured by the respondent and having equipped the same with his own duplicating bands or rolls; and (2) with having made new spindles and provided them with his own bands or rolls.

In short, the defendant is charged, under the guise of supplying repairs or replacements, with having assisted in the *reconstruction* of the machine, so that in legal effect the machine is charged to constitute a new machine which is outside of the implied license to use, granted by the manufacturer to the purchaser at the time the machine was originally sold.

The first defense relied upon is that both of the alleged acts of infringement constitute legitimate repairs of respondent's machines as distinguished from a reconstruction thereof, and that the respondent cannot, under the guise of a patent monopoly covering a large and complicated machine, prevent its customers from making renewal of the *transient* parts which, from the very nature of the device and in the *regular course of its operation*, must be frequently renewed, and that such right as an incident of use passed to the customer when the machine was sold. The second defense is that the claim is invalid because the combination set forth is found in earlier patents directed to machines of a closely analogous character.

The bill was dismissed for want of prosecution for several years, but was reinstated by Judge Carpenter under date of October 29, 1920, on the condition that any recovery of profits and damages be limited to a period beginning on that date. Thereafter, on April 5,

1921, the case was tried before Judge Carpenter and on May 20, 1921, the bill was dismissed for want of equity at plaintiff's cost. Thereafter, on appeal by the respondent, a decision was handed down on May 12, 1922 (Judge Alschuler dissenting), which reversed the decision of Judge Carpenter on both charges of infringement, and held that the respondent had the right to control both the sale of the spindles and the gelatine rolls. Judge Alschuler concurred with the majority in holding that the sale of the spindles made by the petitioner should be enjoined but disagreed with the majority in its ruling that the respondent might also control the sale of the gelatine rolls *per se*.

Specification of Errors.

Your petitioner submits that the Court of Appeals erred:

(1) In holding that the petitioner should be enjoined in the sale of either the gelatine rolls *per se*, or in the sale of gelatine rolls wound upon the petitioner's spindles.

(2) In holding that the claim in suit was good and valid in law in view of the prior state of the art.

(3) In holding that the sale of gelatine rolls wound on petitioner's spindles or the sale of gelatine rolls *per se* constitute infringement of such claim, and in not holding that such acts constitute legitimate repairs of a machine free and clear of the patent monopoly.

(4) In that the decision of the Court of Appeals is revolutionary—

(*a*) In that it completely breaks down the long recognized distinction between unlawful reconstruction of a patented combination and the legitimate repair thereof.

(*b*) In that it erroneously construes the decision of

this court in the case of *Leeds & Catlin* v. *Victor Talking Machine Company*, 213 U. S., 325, in such a way as to supersede and nullify the ruling of this court in *Wilson* v. *Simpson*, 9 How., 109, despite the fact that the Wilson-Simpson case is cited and discussed with approval in the Leeds-Victor case.

(*c*) In that the Court of Appeals decision is based upon the theory that every resupplying of a worn out element in a patented combination constitutes a reconstruction of the machine and that the purchaser of a patented machine acquires no independent rights whatsoever of maintaining the machine in serviceable condition by a resupplying of *transient* and fragile parts *intended* to be worn out at frequent intervals in the *regular operation* of the machine.

(*d*) In that the interpretation placed on the Leeds-Victor decision is contrary to the interpretation adopted by other District Courts and Courts of Appeal in decisions rendered since the Leeds-Victor decision was announced.

(*e*) In that the decision renders impossible the application of any test whatsoever with respect to the right of a purchaser to resupply an element in a patented combination, but on the contrary holds in effect that such right in all cases remains in the patentee.

(*f*) In that the decision is contrary to public policy and tends to foster monopolies of the character condemned by this court in its recent decisions in *Straus* v. *Victor Talking Machine Co.*, 243 U. S., 490; *Motion Picture Co.* v. *Universal Film Co.*, 243 U. S., 502; *Boston Store* v. *Am. Graphophone Co.*, 246 U. S., 8; *United Shoe Machinery Corp., et al.* v. *United States*, —— U. S., — (Apr. 17, 1922) as pointed out in Judge Alschuler's dissenting opinion.

(*g*) In that it enables a patentee, by the mere expedient of including fragile and temporary supply parts as elements in a patented combination, to maintain control of such supply parts in a manner quite as effective as by the use of license restrictions or similar expedients of a character severely condemned by the recent decisions of this court.

(*h*) In that it places a premium upon narrow and specific patent cliams which include a multitude of subordinate parts or elements in contradistinction to broad and generic claims which include only the major elements in general combinations.

(*i*) In that the decision wholly disregards the implied license giving reasonable liberty in the use of a patented machine which passes to the purchaser as an incident to the sale of the machine and which *ipso facto* releases the machine from the patent monopoly.

The Flannigan Machine.

The Flannigan patent relates to a highly complicated piece of mechanism which considered in its entirety constitutes a duplicating machine designed to reproduce impressions from a master copy imprinted on and impregnated into a gelatine roll carried by spindles.

The machine shown comprises a long bed or table over which sections of the gelatine bands containing the master impression are spread with the upper sides exposed to transfer an ink impression to a section of paper which is mounted upon a large hollow cylinder 201 provided with a handle 200, which permits the cylinder to be rolled along over the surface of the gelatine bands for the purpose of securing an imprint on the paper carried by the cylinder. A track-way is provided for regulating the traveling back and forth movements of the cylinder, and numerous com-

plications are introduced into the machine for gauging or limiting the extent of travel, and for other purposes, which need not be specifically referred to.

The machine shown comprises *two* gelatine rolls which present aligned surfaces on the bed of the machine, and each of these rolls is of much greater length than the portion exposed for transferring any particular impression. Each of the rolls is mounted upon two spools, which are well shown in Fig. 1, below the bed of the table. One spool of each pair constitutes the winding spool and the other spool the delivery spool, exactly as in the case of a typewriter ribbon or a photographic film.

In the operation of the machine it was desired to promote convenience by so arranging the spools that the roll might be turned end for end thereby reversing the status of the winding and delivery spools, and the right and left relation of the edges of the gelatine roll to the machine. In order to conveniently obtain this end, each of the spools or spindles, at each end, is provided with an extension shown in Fig. 17 which constitutes a combined chuck and bearing, that is to say, either end of the spindle may engage with the driving means as occasion may warrant.

The patent also sets forth numerous features relating to the driving connections for operating two gelatine rolls at once, but these features need not be discussed.

It is claimed on behalf of Flannigan that a spool having a combined bearing and chuck at each end was a new feature in the construction of duplicating machines, but no claim is made of novelty in the gelatine roll *per se*. The spools which the petitioner at one time manufactured and furnished to his customers with the gelatine rolls wound thereon, were of necessity provided with a combined chuck and bearing at each end to conform to the fittings provided in the respondent's machines, but as we shall point out in our consideration of the prior patent

art, there was nothing new in the provision of a reversible spool of this character for the purpose of mounting a roll or ribbon intended to be fed across a bed in all respects substantially similar to that shown in the Flannigan patent. Obviously, in the functioning of such a spool, under such circumstances, it makes no difference whether the roll or strip mounted upon the spool be made of gelatine or other material. The spool will deliver whatever is mounted upon it.

No Novelty in the Gelatine Roll.

Respondent's counsel on page 33 made the following admission:

> "The Court: There is no patent here with reference to the gelatine roll.
> "Mr. Wilkinson: Not at all."

Mr. Heyer gave the following testimony (Rec., p. 33):

> "Q. For how long a time have you known the use of gelatine rolls mounted upon spindles in these hectograph machines?
> "A. Since 1903."

The purchaser of a Flannigan machine therefore acquired absolute possession of a machine of intricate structure designed to more perfectly utilize the capacity of the old time gelatine roll to transfer impressions imprinted thereon in copying ink. The gelatine band or roll from the very nature of things is fragile and transient. It must be renewed at frequent intervals and the appellant trades upon the necessity for such renewals by making the profits thereon an essential feature of its business.

Respondent's counsel lays stress on the fact that a frequent substitution of rolls is required in the ordinary day's work in order to run the machine to its full ca-

pacity, but this circumstance is of no relevance in view of the fact that Mr. Heyer's business here complained of is founded upon the inherent necessity for frequently renewing the gelatine rolls as they become worn in the regular course of business. The machine itself is a rugged structure which presumably will last a lifetime and out-live thousands of individual rolls. In fact, the object and purpose is to utilize a vast number of individual rolls throughout its period of serviceability.

Such being the fundamental nature of the machine, it follows that the machine is sold with the implied understanding (which in any event the law will imply) that the purchaser will frequently thereafter be required to replenish his stock of rolls in order to realize the value of his initial investment. The question is here directly presented as to whether in such circumstances the appellant can compel the public at large, merely under the guise of its patent monopoly, to confine its subsequent purchases, throughout a long period of years to rolls and spindles of the plaintiff's manufacture, at such prices as the plaintiff may see fit to charge, and with no check against an extortionate raising of price after plaintiff has effected a wide distribution of machines in the hands of a multitude of users.

It must be understood that the present case involves none of the so-called special *license restrictions* which furnished the subject to fruitful legal discussion in the Dick case and others of like character. When a purchaser buys one of appellant's machines, he acquires absolute possession of the same free from restriction respecting its manner of use, or the term during which it may be used save only that the term may not be extended beyond the normal life existency by acts of substantial *reconstruction*. In short, the purchaser buys a machine and the seller sells it in the expectation that it will last

for many years and that it will be used until it is worn out. The above applies to everything except the rolls and spindles which are frequently renewed, and must be renewed in order to realize the use for which the purchaser has bargained. The case is not at all dissimilar to that of a typewriter employing ribbons which must be frequently renewed to maintain the service for which the typewriter is intended.

It seems perfectly obvious that the purchaser's right of renewal in the case at bar properly attaches to the gelatine band or roll, which wears out after a relatively short period of service. Respondent, however, urges that the spindles do not tend to wear out and that even if the court recognizes petitioner's right to renew the rolls, such recognition does not include the right to supply new spindles.

Mr. Heyer has given some testimony concerning the breaking of spindles, and produced a number of broken spindles in court, but even if it be conceded that the spindles are of a more permanent character than the rolls, nevertheless the right to renew the gelatine roll should properly carry with it the right to renew the spindle. The gelatine roll cannot be conveniently shipped or handled except it be rolled upon a spindle. It is established from the record that a single duplicating machine requires an entire set of rolls to perform its intended service, and that the spindles are shipped from place to place to be re-equipped with gelatine rolls. In these circumstances it is obvious that the spindles may become broken or lost so that renewal thereof from time to time will be necessary and if, under its patent, the appellant can maintain a monopoly on the supply of spindles, it can *pro tanto* maintain a monopoly on the supply of gelatine rolls, since obviously no competitor can supply rolls to a user

except they be mounted on the spindles with which they are associated.

It does not appear from the record that the petitioner since the fall of 1917 has manufactured any spindles, in view of the uncertainties of litigation, but that circumstance affords no reason why he should not be freely accorded the right to manufacture spindles as *incident* to his right to supply the gelatine rolls or bands, and as incident to the right of each owner of a duplicating machine to secure the most efficient service possible in the matter of a replenishment of rolls. The right of a customer to acquire rolls from a competing source being recognized, that right should be made effective by like recognition of the owner's right to acquire such rolls mounted upon the spindles and ready for use.

The Claim in Issue.

The only claim in issue is claim 42 of the Flanigan patent. Respondent's counsel has commented at length upon this claim and has stressed the fact that it recites but three elements. However, in the language of the Court of Appeals in *Mossberg* v. *Nutter*, 135 Fed., 99:

> "In confining our attention exclusively to a critical examination of the claims, we are apt to look at them as separate and independent entities and to lose sight of the important consideration that the real invention is to be found in the specification."

Claim 42 is obviously directed to a duplicating machine as an operable *entity*, which must of necessity employ or embody a supporting table, an impression roller and like standard features of construction. These elements must be read into the claim and are as if written therein. It seems clear to us that claim 42 is obviously *not* directed to a gelatine roll as an article of merchan-

dise, but rather to a complete and operative duplicating machine having specified characteristics.

Petitioner does not make such a machine, he does not make a duplicating machine at all. He simply makes a duplicating roll and formerly made the spindle upon which it may be conveniently mounted and handled. The machine of claim 42 must have a journal bearing on one side of the frame and a chuck on the other side, and a spindle constructed with reference to these requirements. In short, a purchaser of such a machine acquires possession of a complicated piece of mechanism conforming to the general characteristics set forth in the drawings of the patent and designed to operate without substantial impairment for a long period of years, but owing to its inherent characteristics requiring frequent replacement and renewal of the duplicating bands or rolls in order to secure the service bargained for at the time the machine was purchased.

Respondent's counsel urge, as a basis for a finding of infringement, that petitioner is engaged in replacing the major portion of the combination set forth in claim 42, but if this claim be considered as an *operating entity* and not as a verbal abstraction, it is evident that even when the petitioner supplies both bands and spindles, he is furnishing but a very small portion of the complete structure.

It is perfectly evident that claim 42 does not in terms define the band and spindle as a separate article of trade or merchandise, but it might properly be asked what measure of protection is in fact afforded to the patentee under this claim. As a reasonable answer to the above we suggest that the claim protects the patentee against the manufacture and sale of *complete machines* having the journal bearing and chuck so arranged in the main frame that the spool or spindle, with its duplicating band

may be mounted with either end in engagement either with the chuck or the bearing, together with such rollers and operating connections as are necessary to make the arrangement effective for the purpose set forth.

Such an interpretation gives the patentee the exclusive right to manufacture and sell machines having the capacity indicated and protects him against any competitor who would seek to secure the benefits of such an end for end readjustment as that specified. Whatever benefits might reside in this interchangeable feature would enure to the benefit of the patentee in enabling him exclusively to monopolize the sale of such complete machines, but such a monopoly should not extend to the frequent replacement of transient parts which constitute but a small portion of the complete structure.

The danger to be avoided in applying the legal rules respecting reconstruction versus legitimate repair resides in the fact that the patentee must not be permitted by mere *form* of his claim to secure a measure of protection greater than is warranted by the *substantive nature of his invention.* Thus an extreme application of the doctrine would result in giving the patentee a monopoly in *each element* of his claimed combination, with the result that the magnitude of the protection would be *directly* in ratio with the number of elements recited rather than in *inverse* ratio thereto, as is properly the case. In short, a claim reciting twenty-five individual elements would cover a much larger field than a claim reciting but five elements despite the fact that a proper regard for the fundamental principles of patent law requires that the *generically* worded claim with few elements shall carry greater protection than the *specifically* worded claim with many.

In the present instance it is true that but few elements are *recited,* although many are included by necessary

implication if the claim is to be properly interpreted as being directed to the complete operative machine and not *per se* to the individual parts thereof.

Authorities.

Reconstruction Versus Repair.

In the law relating to patents, no legal principle has been more definitely established than the principle that when a machine, whose value resides in its use has been sold by the original patentee, an *implied license* to use the machine in the manner intended passes to the purchaser with the thing purchased. Obviously what is sold is not the mere right of possession which is of no value, but the right to use the machine in conformity with its plan or principle of operation which constitutes the entire value. The character of the implied license to use, therefore, must depend in each case upon the nature of the machine and the work which it is intended to perform, and the interpretation of the implied license to use must be such as to afford to the purchaser reasonable liberty in using the machine in order to secure a just return on his investment. Furthermore the period of use which runs under the implied license must be reckoned as the period during which the *general structure* of the machine will survive the ordinary and expected vicissitudes of usage, subject to the right to repair or renew such parts as may be expected to quickly wear out and require renewal in the operation of the machine in accordance with its intended plan.

It is, of course, not expected at the date of sale that the purchaser shall have the right to use the machine until it is practically worn out and then *rebuild* the machine from the ground up, since this would involve a recon-

struction and a prolongation of the term of life beyond its intended expectancy. Conversely it is not expected at the date of sale that the manufacturer shall reserve in himself a right to control or restrict the use of the machine by compelling the purchaser to secure *all repair* parts or renewals which from time to time may be required to keep the machine in a proper state of efficiency.

That certain portions of a machine, like the ribbon on the typewriter, are expected to wear out after a short period of usage, is particularly recognized where the original manufacturer maintains a special department for the sale of such supplies which are treated as accessories which the user expects to renew at frequent intervals throughout the long term of use during which the machine itself is expected to remain in service.

It has been repeatedly held by this court within recent years that a manufacturer may not by the imposition of so-called "license restrictions" control the sale of these extras or supplies under any interpretation of the patent law, and thereby seek to avoid the application of legal principles based upon grounds of public policy. The reasoning of this court in these decisions applies equally to cases like the present in which the respondent is seeking, merely by the expedient of including the gelatine roll and the spindle, in a patent claim, to secure and maintain a monopoly on unpatented parts or supplies which are commonly sold in the channels of trade. In short, a gelatine roll cut of a size to fit the respondent's machine or sold to one of respondent's customers, is no more to be considered as an infringement of the Flanigan patent than a like gelatine roll sold to a user of the X Y Z unpatented duplicating machine. In short, the sale and use of such duplicating rolls constitutes a legitimate repair of the character anticipated at the time the machine was sold and cleared from the patent monopoly,

and the respondent cannot now, years afterwards, be permitted to impose upon its customers any restrictions concerning the source from which such supplies may be procured, since to recognize such right of control is to recognize in the respondent a right to abrogate and destroy the license to use granted at the time the machine was sold. It hardly requires remark that *if* the respondent's customers may *themselves* renew the gelatine rolls, either with or without the spindles, they may purchase the same from one whose business is to make and supply these materials to all customers requiring them, which is the petitioner's business here complained of.

The Court of Appeals based its decision on the case of *Leeds & Catlin* v. *Victor Talking Machine Co., supra,* 213 U. S., 325. In its opinion the Court of Appeals quotes but a single excerpt, the essence of which is found in the statement: "It would seem that on principle when deterioration of an element has reached the point of unfitness, there is a destruction of the combination and a renewal of the element is a reconstruction of the combination." If the Supreme Court had failed to qualify the above statement elsewhere in the same decision, and if this statement alone is to be accepted as determinative of all the present issues, it inevitably follows that the Leeds-Victor decision marks a complete repudiation of the *entire doctrine of unlawful reconstruction* as distinguished from *legitimate repair.*

In short, if *each and every* renewal of a worn out part in a patented combination constitutes a reconstruction thereof, the user's right of repair is completely abrogated. It cannot longer exist under our present patent practice of drafting specific patent claims in which it is possible, not to say often proper, to include nuts, bolts, rivets, springs, cams or other subordinate elements as parts of a patentable combination and thereby foreclose

the right of a user to renew *any* of these subordinate elements. If the right of renewal of a worn out duplicating band in the present instance be taken away, under the reasoning of this court, a like abrogation of the right of renewal will extend to *every one of the elements* listed in the forty-two claims of the Flanigan patent in suit, so that the right of any renewal or repair whatsoever will pass from the user, who *owns the machine* to the patentee, who built it, subject to the whim or capacity of the latter to make the renewal on such terms and at such price as he may see fit. In short, the logical result of an overthrow of the doctrine of legitimate repair necessarily invests the original builder with a right to control the capacities and consequently the *use* of a machine, sold and paid for, throughout the entire period of its operative existence.

To further illustrate the result of the Court of Appeals' reasoning as applied to the claims covering the Flanigan duplicator machine, let us suppose that the spring of claim 4, or the stop of claim 8, or the bar of claim 9, or the locking means of claim 9, or one of the stop pins of claim 11, or the pawl of claim 12, or the guide of claim 14, or the handle of claim 16, or the detent of claim 17, or the bail of claim 37, or the rod of claim 41, all of them common, subordinate, mechanical elements, were to break or wear out, the user, under this decision could not renew a single one of them, or have it renewed, without liability to the plaintiff, and this in the absence of specific contract or undertaking on the plaintiff's part to make renewal of any or all of the parts enumerated, which constitute but a few of the numerous elements recited in the forty-two claims of the patent. Such a condition would result in an intolerable hardship and invest the plaintiff with the kind of a control over in-

dustry which has recently been condemned by this court and by legislative enactment in the Clayton Act.

Judge Alschuler evidently realized the dangers of the majority ruling in his expression of the view that a patentee may not properly extend the bounds of his legitimate monopoly by the mere formulation of claims embracing a multitude of severally unpatentable adjuncts or elements. To sanction such a procedure will place a premium upon the most *specific and limited* of all patent claims, *i. e.*, those which define the combinations with the utmost minuteness, and call for the most subordinate, specific, and even trivial parts and adjuncts of an invention.

It has always been the practice under the patent law to accord the larger measure of protection to those generic claims comprising *few* elements and covering a generic field of advance or improvement. Such broad, generic, pioneer claims would have no standing in a controversy like the present, in which the measure of protection seems to be in *direct* rather than *inverse* ratio to the *number of elements included,* that is to say a *specific* claim with many elements, under the present ruling, will afford more protection than a *generic* claim with few, which amounts to the same as a statement that a *specific* claim is preferable to a *generic* claim.

If the doctrine announced in the majority decision is to stand, it will mean that the independent production and sale of all forms of machine parts or office supplies such as typewriter ribbons, carbon paper, etc., will disappear, since manufacturers by patenting trivial and unimportant improvements in the machines themselves, so long as they are not mere aggregations, can, from time to time, claim these trivial features in combination with the *ribbon, carbon paper, etc.,* and thereby completely

dominate and control all branches of the business for practically all time to come.

It seems evident from the above considerations that this court could not have intended in the Leeds-Victor decision to deprive the owner of a patented machine of *all* right of repair, or to deprive him of the reasonably free and unrestricted use of his machine during its natural term of life. A careful scrutiny of the Leeds-Victor decision fully confirms this view, as we shall proceed to point out.

The right of replacement of worn out parts was early recognized by the Supreme Court in the case of *Wilson* v. *Simpson*, 9 How., 109-122, which case is discussed with *approval* by this court in the Victor decision. This Wilson-Simpson case involved a patent on a planing machine in which certain knives or cutters were embodied as a *part of the patented invention, and which*, from the nature of their use, were repeatedly worn out so as to require replacement.

This Wilson-Simpson case is the first exhaustive consideration and discussion by this court of the right of a purchaser of a machine to repair or replace worn or broken parts of the patented combination. The decision was announced nearly seventy-five years ago, and has been cited and followed in practically all of the cases involving the same question since its announcement—both before and *after* the decision in the Victor case. It has never been recalled or substantially modified, and is recognized in the Victor case as expressive of the true rule to govern the decision of cases like the one under consideration. So far as our study goes, and we believe it comprises all of the cases both in this court and in the courts below, this Duplicator case is the first one in which a court has announced a decision contrary to the principle

and spirit, not to say direct language, of the Wilson-Simpson case.

The Wilson-Simpson decision so fully states the grounds and reasons for the right on the part of a purchaser of a machine to make repair or replacement of temporary parts of the patented invention that, for the convenience of the court, we have concluded to quote from it at great length, the italics being ours, as follows:

> "The questions which were argued by counsel—when repairs destroy identity and encroach upon invention, or when the thing patented ceases to exist, so as to exclude the repair or replacement of any one *part* of its *combination,* in connection with the rest of it, not requiring repair, or to be replaced—are before the court upon the evidence in the record.
>
> "We admit, for such is the rule in *Wilson* v. *Rousseau,* 4 Howard, that when the material of the combination ceases to exist, in whatever way that may occur, the right to renew it depends upon the right to make the invention. If the right to make does not exist, there is no right to rebuild the combination.
>
> "But it does not follow, when one of the elements of the combination has become so much worn as to be inoperative, or has been broken, that the machine no longer exists, for restoration to its original use, by the owner who has *bought* its use. When the wearing or injury is partial, then repair is restoration, and not reconstruction.
>
> "Illustrations of this will occur to any one, from the frequent repairs of many machines for agricultural purposes. Also from the repair and replacement of broken or worn-out parts of larger and more complex combinations for manufacture.
>
> "In either case, repairing partial injuries, whether they occur from accident or from wear and tear, is only refitting a machine for use. And it is no more than that, though it shall be a replacement of an *essential part* of a combination. It is the use of the *whole* of that which a purchaser buys, when the patentee sells to him a machine; and when he repairs

the damages which may be done to it, it is no more than the exercise of that right of care which every one may use to give duration to that which he owns, or has a right to use as a whole.

"This foundation of the right to repair and replace, and its application to the point we are considering, will be found in the answers which every one will give to two inquiries.

"The right to repair and replace in such a case is either in the patentee, or in him who has bought the machine. Has the patentee a more equitable right to force the disuse of the machine entirely, on account of the inoperativeness of a *part* of it, than the purchaser has to repair, who has, in the *whole* of it, a right of use? And what harm is done to the patentee in the use of his right of invention, when the repair and replacement of a partial injury are confined to the machine which the purchaser has bought?

"Nothing is gained against our conclusion by its being said that the *combination* is the thing patented, and that, when its intended result cannot be produced from the deficiency of a *part* of it, the invention in the particular machine is extinct. It is not so. Consisting of parts, its action is only *suspended* by the want of *one* of them, and its restoration reproduces the same result only, without the machine having been made anew. Of course, when we speak of the right to restore a part of a deficient combination, we mean the part of one entirely original, and not of any *other* patented thing which has been introduced into it, to aid its intended performance.

"Nor is it meant that the right to replace extends to every thing that may be patented. Between repairing and replacing [reconstruction] there is a difference.

"Form may be given to a piece of any material—wood, metal, or glass—so as to produce an original result, or to aid the efficiency of one already known, and that would be the subject for a patent. It would be the right of a purchaser to repair such a thing as that, so as to give to it what was its first shape, if it had been turned from it, or, by filing, grinding, or cutting, to keep it up to the performance of its origi-

nal use. But if, as a whole, it should happen to be broken, so that its parts could not be readjusted, or so much worn out as to be useless, then a purchaser cannot make or replace it by another, but he must buy a new one. The doing of either would be entire reconstruction.

"If, however, this same thing is a *part* of an original combination, essential to its use, then the right to repair and replace recurs. That this is so may be more satisfactorily shown by the Woodworth planing-machine than any other we know, and particularly by the complaint here made against these defendants.

"Woodworth's greatest merit, showing his inventive genius, is the adaptation of a well-known tool to a new form and mechanical action, giving an almost wonderful efficiency to its use, and which, in the hundred efforts which had been made before, had not been accomplished. We mean its cutters for planing, tongueing and grooving. . . .

"It does not permit an assignee of the first term of a patent, after its renewal and extension, to make other machines, or to reconstruct it, in gross, upon the frames of machines which the assignee had in use when the renewal and extension of the patent took effect. But it does comprehend and permit the resupply of the *effective ultimate tool of the invention,* which is liable to be often *worn out* or to become inoperative for its intended effect, which the *inventor contemplated would have to be frequently replaced anew,* during the time that the machine, as a whole might last.

"The proof in the case is, that one of Woodworth's machines, properly made, will last in use for *several years,* but that its cutting-knives will wear out and must be replaced at least every *sixty or ninety days.*

"The right to replace them was a *part of the invention transferred to the assignee* for the time that he bought it, without which his purchase would have been *useless to him, except for sixty or ninety days after a machine had been put in use.* It has not been contended, nor can it be, that such can be a limitation of the assignee's right in the use of the invention.

"If, then, the use of the machine *depends upon the*

replacement of the knives, and the assignee could replace them from time to time, as they were needed, during the first term of the patent, though they are an *essential and distinct constituent of the principle or combination* of the invention, frequently replacing them, according to the *intention* of the inventor, is *not a reconstruction* of the invention, but the use only of so much of it as is absolutely necessary to identify the machine with what it was in the beginning of its use, or before that part of it had been worn out.

"The right of the assignee to replace the cutter-knives is not because they are of perishable materials, but because the inventor of the machine has so arranged them as a part of its combination, that the machine could not be continued in use without a *succession of knives at short intervals.* Unless they were replaced, the invention would have been but of little use to the inventor or to others. The other constituent parts of this invention, though liable to be worn out are not made with reference to any use of them which will *require them to be replaced.* These, without having a definite duration, are contemplated by the inventor to last so long as the materials of which they are formed can hold together in use in such a combination. No replacement of them at intermediate intervals is meant or is necessary. They may be repaired as the use may require. With such intentions, they are put into the structure. So it is understood by a purchaser, and beyond the duration of them a purchaser of the machine has not a longer use. But if another *constituent part of the combination is meant to be only temporary* in the use of the whole, and to be frequently replaced, because it will not last as long as the other parts of the combination, its inventor cannot complain, if he sells the *use* of his machine, that the purchaser uses it in the way the inventor *meant it to be used,* and in the only way in which the machine can be used.

"Such a replacement of *temporary* parts does not alter the identity of the machine, but preserves it, though there may not be in it every part of its original material."

If the Court of Appeals has correctly interpreted the Leeds-Victor decision, then it is perfectly evident that this court intended to completely *nullify and repudiate* its own previous reasoning in the *Wilson-Simpson* case. It is important to note in the Victor decision that this court commenting on the Wilson-Simpson decision stated that the latter sanctioned the right to "the resupply of the effective *ultimate tool* of the invention," and after this statement proceeded to distinguish the issues of the Victor case from the Wilson case in the following language (page 336) (italics ours):

> "Can petitioner find justification under the right of repair and replacement as described in *Wilson* v. *Simpson*, 9 How., 109, and *Chaffee* v. *Boston Belting Co.*, 22 How., 217? The Court of Appeals, in passing on these cases, considered that there was no essential difference between the meaning of the words 'repair' and 'replacement.' That they both meant restoration of worn out parts. This distinction was recognized in *Wilson* v. *Simpson, supra,* where it is said that the language of the court in Wilson's and Rousseau's case, 4 How., 709, did not permit the assignee of a patent to make other machines or reconstruct them in gross upon the frame of machines which the assignee had in use, 'but it does comprehend and permit the resupply of the effective *ultimate tool* of the invention, which is liable to be often worn out or to become inoperative for its intended effect which the inventor contemplated would have to be frequently replaced anew, during the time that the machine as a whole might last.' But there is no pretense in the case at bar of mending broken or worn-out records, or of repairing or replacing 'the *operative ultimate tool of the invention' which has deteriorated by use.*"

The court then proceeded to say that:

> "The right of substitution or 'resupply' of an element depends upon the same *test.* The license granted to a purchaser of a patented combination is

to *preserve its fitness for use so far as it may be affected by wear or breakage.* Beyond this there is no license."

It is also proper to point out that the claimed element in question in the Victor case (the phonograph record disk) was deemed by the court to embody the real essence of Berliner's invention and the thing which gave utility to the patent claim. This is evident from the following (213 U. S., 330):

> "It is the disk which serves to distinguish the invention—to mark the advance upon the prior art."

There is certainly nothing in the above which indicates that like considerations attach to the gelatine roll, which is admittedly *old per se* and an article of general utility long before Flanigan made his invention.

This court very distinctly recognizes that a *test* is to be applied and that that test is the one specified in the early decision of the Wilson-Simpson case, which introduces the reference to the *ultimate tool* which, being unpatented *per se*, being merely *one* element of a combination, might be renewed when worn out. The Court of Appeals evidently interpreted the Leeds-Victor decision as abolishing the need for *any test at all*, and invested the patentee with the right to control the supply not only of the complete patented *combination*, but of *every constituent element thereof*, including the "ultimate tool."

Under the reasoning of the Appellate Court no test *can be devised* which will invest the purchaser of the machine with any rights of repair whatsoever. The issues of this case, however, are practically *identical* with the issues in the Wilson-Simpson case, which still stands as the law of the Supreme Court in reference to the right of supplying the ultimate tool in cases where from the very nature of the operations performed the

ultimate tool must quickly wear out when the machine is operated in the manner *intended by the inventor.*

In the Wilson case the court stated that the machine itself would last for *several years.* The same is true in the present case. In that case this court stated that the cutting knives would wear out in from *sixty to ninety days.* So also in the present case, the gelatine rolls wear out after even a shorter service. That case involved the effective *ultimate tool,* and this is likewise the subject-matter of the present case. In that case the ultimate tool was a *distinct constituent of the principle or combination of the invention,* and the same is true in the present case. It is not seen on what possible ground the Court of Appeals can find authority for its present decision in the Leeds-Victor case, in which the particular excerpt quoted by the court was distinctly modified and limited in its application by the language of *other* portions of the decision, referring to the nature of the *implied license to use,* which passed to the purchaser when he took title to the machine.

Right of Repair Still Recognized.

Although we cannot find that the Supreme Court since the Leeds-Victor decision has directly considered the question of reconstruction as distinguished from repair, nevertheless, we find that this subject has, in a number of recent instances, been considered by the courts and a reasonable right of repair uniformly recognized. This certainly indicates that courts elsewhere have not deemed the Leeds-Victor decision to have *abrogated* or even modified the established right of repair.

In the recent case of *Hess-Bright Mfg. Co.* v. *Bearings Co.,* 271 Fed., 350 (1921), Judge Dickinson, on page 351, said:

"In the view of the defendant they seek now to

extend this control over the making of all repairs to worn bearings, or to force the sale of a new bearing, by denying the right of the owner to repair an old one. The monopoly which the law has granted to the plaintiff has proven itself to be one of great value. The law gave the exclusive right to make and vend, but, when once a sale was made, the right (so far as concerned the bearing sold) had been exhausted by its exercise, and all right of ownership passed by the sale, as fully *as if no patent had ever issued*, except that the vendee had no more right than before to make, use or sell another bearing like it. The vendee had the right to its full, untrammelled use, and the right to keep it in repair fitted to use. This included also, the right to *have repairs made by others.*"

After fully considering the facts, the court concluded its opinion with the statement:

> "We have carefully considered the cases to which we have been referred. We find none of them to conflict with the finding made. Among those cited are—*Leeds* v. *Victor Co.*, 213 U. S., 325—etc."

In the case of *Foglesong Machine Co.* v. *Randall Co.*, 239 Fed., 893 (1917)—eight years after the Leeds-Victor decision—the Court of Appeals for the Sixth Circuit, regarding the renewal of parts which the manufacturer recognized as perishable and sold as replacements, on page 895, said (italics ours):

> "The parts substituted were *such as the plaintiff sold or voluntarily furnished to customers for use in repairing.* Their *perishable nature was thus recognized.* The substitutions made were no more than any owner might well make who wished to put an old machine in the best workable condition."

The Court of Appeals for the Seventh Circuit in the case of *Williams* v. *Barnes*, 234 Fed., 339, construed certain aspects of the Leeds-Victor case, and recognized the right of renewal in a *proper* case and certainly reached

no such conclusion as that now announced which completely abrogates the right of renewal *in all cases*.

The Barnes case involved the use of renewable paper dials in a time register. The court on page 340 said:

> "The case falls within the principle of *Morgan Envelope Co.* v. *Albany Co.*, 152 U. S., 425, 14 Sup. Ct., 627, 38 L. Ed., 500, and not within that of *Leeds & Catlin* v. *Victor Talking Machine Co.*, 213 U. S., 325, 29 Sup. Ct., 503, 53 L. Ed., 805.
>
> "The alleged infringement is not in the manufacture of the paper dials, as they are not patented, but in their sale for use as an element in the patented combination.
>
> "As the Victor case holds, it is not determinative of the question of such contributory infringement that the element is unpatented. The test is whether the element, as part of the patent combination, is perishable in its nature, consumed in the use, and necessarily to be replaced in each successive use of the combination. If it is, then at any rate in the absence of some restriction, the purchaser of the device in which the combination is to be effected for practical use is impliedly licensed to replace the consumable element."

It will be observed that the special facts of the above case were held to bring it within the decision of this court in the Morgan Envelope case, but the entire decision is repugnant to the idea that renewal may not be made under other proper circumstances, as for instance, like those dealt with by the Supreme Court in the Wilson-Simpson case. The present decision goes far beyond anything suggested in the Williams-Barnes decision.

In the case of *Slocom* v. *Layman*, 227 Fed., 94 (1915), Judge Bradford, some six years after the Leeds-Victor decision, on page 98, said:

> "If, by way of illustration, patented mechanism be composed of various parts and elements the most expensive of which have an average life of twenty

> years, and other parts or features of comparatively trifling cost are subjected in the operation of the mechanism to such wear as to require renewal or replacement within a period of a few months, or of a year or two, it would seem reasonable and sensible to treat such renewal or replacement, as involving repairs in contradistinction to reconstruction."

The judge then quotes at considerable length from the Wilson-Simpson case and continues:

> "If the purchaser and user of a patented machine has a right personally to keep it in repair manifestly he equally has a right through the instrumentality of a third person to do the same thing. If, for instance, the rubber cover of a roll through continued use needs replacement, repair or renewal by way of repair of the patented machine in which it is used, and it be permissible for the owner of the machine to make such repair or renewal, without accountability to the patent holder, it is *equally permissible* for a *third* person, whether manufacturer or mechanic, to effect such repair or renewal without such liability. Whether the defendant by way of advertisement or otherwise solicited from the purchasers and users of the complainant's machine the business of supplying repair parts, or, without solicitation, remained inactive until called on for repair parts by such purchasers, and users, is wholly immaterial."

The Court of Appeals for the Seventh Circuit in the case of *Morgan-Gardner E. Co.* v. *Buettner Co.*, 203 Fed. 490 (1913), some four years after the Leeds-Victor decision, recognized the right of repair in the case of a patent relating to a coal mining machine. The court (Judges Baker, Seaman and Kohlsaat) on page 492 said (italics ours):

> "Appellant contends that the supplying of the different elements of the protective device, by one or other than itself, when once broken in the operation of its mining machines, constituted infringement. It will be borne in mind that the machines

were sold without *restriction* of any kind; that the sleeve or collar was not supplied in any instance, excepting in the case of the protective device furnished to the Hart Williams Company on appellant's connivance; that, so far as appears from the record, that sale was for use in appellant's machine. It is evident that the protective device was of a *perishable character.* Its destruction, or that of some of its parts, was *contemplated by the appellant, as well as by those to whom the latter sold its mining machines, yet no attempt was made to limit the purchaser in respect to the source from which it should procure the repair parts.*

"'The mere fact that the patentee is able and willing to replace the injured parts and make the repairs, is not alone sufficient to vest in him a monopoly of this work. If the purchaser sees fit to make necessary repairs himself, or employs others for that purpose, he has a right to do so.' *Wagner Typewriting Co.* v. *Webster* (C. C.), 144 Fed., 405.

"In a number of cases cited to Section 302*a*, Walker on Patents (which reads in part: 'A purchaser may repair a patented machine which he has purchased, by replacing broken or worn out unpatented parts, so long as the identity of the machine is not destroyed'), the rule adhered to in Wagner Typewriting Co. case, is followed. See, also, 30 Cyc., 985. In the present case, the appellee had the right to make repairs. It did nothing more."

It is instructive to note that the early destruction of certain parts was contemplated not only by the patentee but by purchasers of the machine, which is exactly the situation here involved.

In the case of *National Malleable Casting Co.* v. *American Steel Foundries,* 182 Fed., 626, Judge Rellstab stated, on page 639:

"The question of the right to repair and what constitutes repair to a patented article, as distinguished from reconstruction, has been frequently dealt with by the courts, and, generally stated, the rule to be deduced from the cases is that, upon an

absolute sale of a patented device, the purchaser has the right to the full enjoyment thereof, and an implied license to make repairs, so long as the identity of the original machine is preserved, and that such right of repair is not confined to the mere restoring of the part which is defective, but extends to replacing such part, unless it is itself made the subject of a patent. The following are a few of the cases (citing Leeds-Victor decision among others)."

A very instructive case, though earlier than the Leeds-Victor decision, is the case of *Wagner Typewriting Co.* v. *Webster*, 144 Fed., 405. This case is of *especial* interest both because it is recognized as an authority by the Court of Appeals for the Seventh Circuit at a date subsequent to the Victor decision and because it deals with typewriter ribbons mounted upon spools, exactly the same sort of a combination of devices as that involved in the present case. The court said on page 409:

"As to the spools we have simply a pair of disconnected ribbon spools, an element, but a mere incidental element of the combination. Not a vital element not a chief part thereof but an ordinary working part or a part upon which the ribbon is wound. In short the spool has a central opening, as do all spools, through which the spindle passes. The spindle has a flange with a short pin which enters a round hole in the spool a little to one side of the central opening. This connects it with the spindle. It may be done in other ways, expressly says the patent. Defendant made some spools specially adapted for use on this machine. Complainants expressly contend and say in the brief:

"'The term "ribbon spool" in the claim does not mean a spool without a ribbon, but one having a ribbon, and a spool is useless unless there is a ribbon connected with it, and the claim necessarily implies that the ribbon spools must contain a ribbon or else the word ribbon before the word spools would be meaningless.'

"The complainants also contend that the owner of an Underwood typewriter infringes when he purchases for it a new ribbon wound on a spool not made by them and places it in the machine to replace the worn out ribbon. And as to this complainants say:

'But the defendant in so doing reconstructs an essential element of the Underwood machine and becomes, as we have already stated, a contributory infringer.'

"If complainants' contention is correct then every owner of an Underwood typewriting machine must purchase ribbons and spools of the complainants, and pay any price therefor they fix, and, as a result, complainants have not only a monopoly of the machine itself, but of the supplies, inked ribbons, that must be used with it, and this without any license restriction in the sale, and without a patent for the spool and ribbon in combination, or for either alone. This mode of creating monopolies has just been condemned by the Circuit Court of Appeals, Second Circuit, (145 Fed., 933), even where there is a license restriction, in reversing *Cortelyou* v. *Charles Eneu Johnson & Co.* (C. C.) 138 Fed., 110. To sustain the contention of the complainants will, in effect, give them a monopoly, not only of the patented machine, but of an unpatented article, inked typewriter ribbons, now in common use, and as necessary to the general public as ink itself. Typewriters have come into general use in all business places and thousands of homes. This court is of opinion that under the well settled authorities, the contention of the complainants must fail, and that contributory infringement has not been shown."

The rest of this decision is extremely instructive, but we do not feel justified in quoting at further length from it.

Rights Carried by Purchase and Sale.

Every sale of a patented machine carries with it an implied license to use the machine to perform the work for which it was devised and sold. In a contract of purchase relating to the sale of a patent machine, the purchaser is seldom concerned with any question concerning the scope of the patents covering the machine, since the sale operates to *release the machine absolutely* from the patent monopoly, whether broad and generic or narrow and specific. Questions concerning the future use of the machine, strictly speaking, cease to be questions of *patent law* at all, but rather partake of the character of questions involving property rights determinable by the law of contract. That is to say, the sale constitutes a transfer of title together with such appurtenant rights as properly pass therewith. An unrestricted sale of real estate, with the passage of title passes the right to the possession, use and enjoyment of the property, and an unrestricted sale of a patent device carries with it a similar right. The test, therefore, to be applied involves the question as to what rights of use and enjoyment pass with the sale of a patented machine, and courts heretofore have uniformly considered the nature of the machine and its mode of operation with a view of determining the reasonable intentions of the parties to the original transaction.

A consideration of the user's reasonable right of repair or of resupplying himself with such temporary and ephemeral elements as the gelatine roll is, therefore, to be based, not on a narrow and technical interpretation of patent claims, *but on sound questions of public policy and fair dealing in trade.* In short, what are the reasonable inventions of the parties to the transaction?

As was said by the Supreme Court in the case of *Chaffee* v. *Belting*, 22 *Howard*, 217, referred to with approval in the Victor case:

> "If a person legally acquires title to that which is the subject of Letters Patent, he may continue to use it until it is worn out, or he may repair it or improve upon it as he pleases, *in the same manner* as if dealing with property of any *other* kind."

It is obvious that the parties by express *contract* may define their intentions in such a way as to limit the purchaser's use of a machine to a given locality, or to a limited capacity, or to the production of a specified article, or in any other way, which is not deemed contrary to public policy. Such limitations, in a proper case, are enforceable under the law of contract, wholly irrespective of whether the machine be patented or unpatented. Wholesale license restrictions stamped upon the machines with a view of controlling the resale price or the use of unpatented supplies, have, since the Dick case, been uniformly condemned by this court, but if the courts now decline to recognize as enforceable under patent law a contract between purchaser and seller set forth in express terms, by how much the more should a court be careful to scrutinize a transaction in which the purchaser's right of reasonable use and resupply of parts—unpatented *per se*—be the subject of implication. This question concerning the reasonable intention of the parties runs through numerous decisions, of which we shall briefly quote a few.

In the case of *Wilson* v. *Simpson, supra*, the court said:

> "This inventor cannot complain if he sells the *use* of his machine, that the purchaser uses it in the way the inventor *meant it to be used.*"

In the case of *Morrin* v. *White*, 138 Fed., 31, the court,

after mentioning such cases in which the purchaser might renew a part of a combination, said:

> "But, a part of a combination may not be replaced by the purchaser when it is the vital element of the combination, in fact, and in regard to patentability, especially when it is *not intended to be of* short life by the action of external forces thereon."

In the case of *American Cotton Tie Company* v. *Simmons*, 106 U. S., 89, the Supreme Court, in construing the Wilson-Simpson case, said:

> "The principle of that case was that temporary parts wearing out in a machine might be replaced to preserve the machine in accordance with the *intention of the vendor.*"

In the case of *Shickler* v. *St. Louis Car Coupling Co.*, 77 Fed., 740, the Court of Appeals for the Eighth Circuit said that railroad companies would not purchase the patented article

> "unless the purchase of the coupling apparatus *was made on the implied understanding* that the purchaser should have the right to replace that part of the apparatus if it was accidentally broken."

In the case of *Wagner* v. *Webster*, 144 Fed., 416, the court said:

> "and it is a natural inference that it was *contemplated* by the patentee and the purchaser and user that such part (typewriter ribbon) should be removed and replaced from time to time as the part is in general use and extensively made and sold by others."

In the case of *Davis Electrical Works* v. *Edison*, 60 Fed., 278, the Circuit Court of Appeals for the First Circuit, in considering the claimed right to renew electric lamp filaments, which constitute practically the whole invention, said:

> "There was no express or *implied consent* that the filament might be renewed."

The court in the recent case of *Williams* v. *Barnes, supra,* said:

> "Then, at any rate in the *absence* of some restriction, the purchaser of the device in which the combination is to be effected for practical use is *impliedly licensed* to replace the consumable element."

In the recent case of *Slocum* v. *Layman, supra,* the court, on page 99, said, with regard to the right of repair:

> "On this point I have little or no doubt, in view of the *character* of the repair parts and the *attitude of the parties* toward them:"

In the case of *Morgan Gardner E. Co.* v. *Buettner Co., supra,* the court said, on page 493:

> "To repair the hollow washer and other separate parts of the productive device did not destroy the identity of the patented device. It was clearly a repair *contemplated by the appellant* when he sold the mining machine."

In the case of *National Malleable Casting Co.* v. *American Steel Foundries,* 182 Fed., 440, the court said:

> "The purchaser has the right to the full enjoyment thereof and an *implied license* to make repairs so long as the identity of the original machine is preserved."

In the present case, manifestly the duplicating machine was sold with the *intention* that the gelatine rolls be renewed at frequent intervals, as evidenced from the fact that the plaintiff itself recognized their perishable character, and in the absence of an *express contract* between the seller and purchaser of a nature which the courts would recognize as valid, it must be assumed that the necessary right of renewal passed to the purchaser, together with the right to use the machine during its reasonable period of life expectancy. We can hardly conceive of a plainer case of the right of repair than that presented by the present record.

Judge Alschuler refers to recent decisions of this court which, although relating to cases involving *notices* regarding the purchase of supplies from the patentee, or restrictions on resale and use, are nevertheless highly instructive concerning the present attitude of the Supreme Court toward efforts to maintain a monopoly in supplies after complete title to the machine has passed to the purchaser. Regarding the outcome of such a practice, this court in the case of *Motion Picture Co.* v. *Universal Film Co.*, 243 U. S., 515, said:

> "The perfect instrument of favoritism and oppression which such a system of doing business, if valid, would put into the control of the owner of such a patent should make courts astute, if need be, to defeat its operation. If these restrictions were sustained plainly the plaintiff might, for its own profit or that of its favorites, by the obviously simple expedient of varying its royalty charge, *ruin anyone unfortunate enough to be dependent upon its confessedly important improvements for the doing of business.*"

Furthermore, regarding the practice of selling machines at cost with the expectation of realizing profits from the sale of supplies as was urged in the instant case, this court on page 517 said (italics ours):

> "This fact, if it be a fact, instead of commending, is the clearest possible condemnation of, the practice adopted, for it proves that under color of its patent the owner intends to and does derive its profit, *not from the invention on which the law gives it a monopoly but from the unpatented supplies with which it is used and which are wholly without the scope of the patent monopoly,* thus in effect extending the power to the owner of the patent to fix the price to the public of the unpatented supplies as effectively as he may fix the price on the patented machine."

It is instructive to note that this court has thus recently condemned all effort to establish unnatural monopolies

in repair parts and supplies by the expedient of a restrictive notice affixed to the machine, but the Court of Appeals in the present decision, is encouraging exactly the same sort of unnatural monopolies by breaking down the legitimate *tests and safeguards* which were recognized as applicable to questions involving the alleged right of repair as distinguished from reconstruction. If a monopoly in upatented ribbons, gelatine rolls, motion picture films, and repair parts of every kind and description can be established and perpetuated by the simple expedient of including these parts as *"elements"* in a patented combination, and if each and every element of every character and description can be brought irrevocably within the control of the patentee by this simple expedient, it appears perfectly evident that a new class of monopolies will develop equally repugnant to principles of equity and fair dealing, and even more pernicious in character than those which found their basis in license restrictions and limitations *plainly* and *indelibly* affixed to the machines themselves.

The purchaser of such a machine, with such a notice confronting him was instantly apprised of the patentee's claim of right to control the further sale of supplies or the like, whereas rights of the kind here sought to be enforced depend for their basis upon the technical construction of patents of which and with which the purchaser is unfamiliar and which are frequently almost unintelligible even to learned courts and counsel. The need of adequate tests and safeguards is therefore doubly plain. The present decision repudiates and overthrows a legal doctrine nearly a century old, and if adhered to will, as we submit and insist, controvent the reasoning of this court in the case relied upon for its support. For this court to affirm the present decision will establish a precedent repugnant to sound reasoning and prejudicial

to every class of the purchasing public, save only those manufacturers who seek to subject a helpless majority to their domination and control.

Prior Art.

A number of prior patents were introduced in evidence for the purpose of showing that it is common practice in the mechanical arts generally to provide drums or spools for winding purposes at each end with a combined "squared chuck engaging member and a cylindrical bearing member whereby said spool is interchangeable end for end between said chuck and journal bearing," to quote the language of the claim in suit.

This duplication of chuck and bearing at each end of the spindle makes the latter interchangeable within the machine; that is to say, either end of the spindle may be engaged with the power transmission element of the machine, so that the spindle with its attached band may constitute either the delivering or receiving roll on the machine. An analogy to an ordinary kodak immediately suggests itself in which the spool upon which the unexposed film is originally mounted delivers the film to a like spool at the opposite side of the kodak, which latter, for the time being, becomes the winding or receiving spool, and is engaged by the chuck attached to the thumb-piece, by which the film is advanced. After the film has been exposed and wound up on the latter spool, the exposed film and spool are removed for development, the empty spool upon which the film was originally carried is removed from the delivering side of the kodak, turned end for end on the receiving side of the kodak, and engaged with the chuck on the thumb-piece, and thereafter becomes the winding spool for subsequent exposures. This idea of providing a winding spool with duplicate bearing and

chuck features at each end is an old and well known expedient, and no invention was displayed in employing this common mechanical principle in the construction of a duplicating machine.

BENDALL PATENT No. 237,158, OF FEBRUARY 1, 1881: This patent shows a spool or drum for rolling up roofing felt. Figure 2 shows a spool having a squared chuck engaging member and a cylindrical bearing member at each end whereby the mechanism is adapted for the application of a handle or crank G at either end. The specification, page 1, line 35, says, "to one or both of said journals is attached a crank G by means of which the roller is turned to wind up the felt." Obviously this roll with the band or felt strip carried thereby might be taken out of its bearing, turned end for end, and inserted into the journals within which one of the delivering spools I is mounted, which is exactly the operation contemplated in the Flanigan patent.

DOOLEY PATENT No. 373,800, OF NOVEMBER 22, 1887: Figures 6 and 7 of this patent show a spool exactly like that defined in the Flanigan claim, which spool in this case is used for the winding of rope. The spool at each end has a cylindrical portion adapted to constitute a bearing member and a squared chuck adjacent thereto.

HANSON PATENT No. 485,276, OF NOVEMBER 1, 1892: This patent relates to a wire reel holder, and shows a construction identical with that set forth in the Flanigan patent. That is to say, the spindle at each end is provided with a cylindrical bearing portion E, and each end of the shaft is squared to receive a crank or handle, this constituting the chuck defined in the Flanigan claims. The specification, line 38, page 1, states:

"By referring to the said drawings it will be noted

> that my reel holder consists of a shaft A, of any suitable material, the said shaft being provided at each end with a crank B, of any desired form or size, which cranks fit on and are removably secured to the *squared* end *a* of the shaft A."

This winding device in precisely the form shown might be used in the Flanigan combination for the purpose specified.

McIntire Patent No. 577,369, of February 16, 1897: This patent relates to a stenographer's cabinet employing a delivering and receiving roll of identical construction. Each of these rolls is provided at each end with a cylindrical bearing portion and a squared chuck portion, to which latter a handle is secured. The specification, in referring to the two spools, here called "mandrels," page 2, line 16, states: "The mandrels 36 and 37 are essentially alike, and they are constructed as shown in Figs. 4 and 5."

An inspection of these figures will show that each mandrel, at each end is provided with a squared opening, either opening being of a size to receive either the squared chuck 28 or the oppositely disposed squared chuck 23. The chucks 28 and 23 are provided with bearing portions terminating in the squared outer end portions 21 and 26 respectively, to each of which is fitted a wheel for operating the roll.

Either mandrel can act as the winding or delivering spindle for the roll of paper and either mandrel can be turned end for end as occasion may require, the two ends being fitted to engage interchangeably with either of the chuck members so that in actual practice one of the ends of the mandrel will engage an operating chuck with its bearing and the other end will engage with an idle chuck and bearing. In use the roll of stenographer's paper will be carried by spindle (mandrel) 37 and be delivered to

the spindle 36 by the rotation of the latter, which for the time being becomes the power actuated member. Afterwards, the crank 33 may be removed from the mandrel 36 and placed on the mandrel 37 which thus becomes the power member, thereby enabling the operator to rewind the strip.

When, however, it is desired to utilize the unwritten side of the strip, a sequence of operation is observed substantially like that followed in the use of the duplicating roll of the Flanigan patent as evidenced by the statement contained on page 3, line 48 of the McIntire patent:

> "After one side of the paper has been used and the paper wound upon the mandrel 36 the end which is attached to the mandrel 37 may be disconnected from said mandrel and then reattached and rewound upon said mandrel 37 inside out. Then the mandrel 37 may be removed from the box and *turned around* and replaced and this will bring the unwritten side of the paper upwardly upon the writing plate 16, and the paper may be run again through the cabinet and the written side used."

Obviously, the identical nature of McIntire's two pindles 36 and 37 enables either to be used at either end f the machine and mounted either end forward. Mcntire can thus make all of his spindles identical in form nd interchangeable end for end which constitutes the ull measure of interchangeability set forth in the Flanian patent.

In fact, claim 42 here in suit reads word for word n the McIntire construction save for the fact that the tter is not strictly a multiple copying machine although mployed for transcribing purposes and in a closely allied rt. Since the question herein involved is whether or not e spindle and roll furnished by the defendant is *per se* novel device or is to be considered as an element im-

porting substantial novelty into an otherwise old combination, we submit, that in so far as the present issues are concerned, the McIntire patent constitutes a full and complete defense.

TAYLOR PATENT No. 646,112, OF MARCH 27, 1900: This patent shows a wire fence machine, and Figure 1 clearly illustrates a spool having at each end a chuck member 125 which engages with mandrels 126 constituting bearing members. Figs. 10 and 11 illustrate the chuck arrangement which is one which permits the spool with its roll to be lifted and reversed. These features are described on page 7, line 82, as follows:

> "The roll 5 is provided at each end with flattened tongues 125, 125, Figs. 1, 9, 10 and 11, which fit removably in U-shaped sockets 126, 126, on the ends of mandrels 127, 127, journaled in the frame. Removable keys, 128, 128, secure the roll 5 detachably in the mandrels. This construction permits of the convenient lifting of the roll, with a quantity of fabric wound thereon, from its place on the mandrels and removing the roll from the coil of fabric, which is thereby left in a coiled or rolled-up condition. The roll 5 can then be readily replaced in the mandrels for winding other fabric thereon."

Obviously the construction is one which permits the roll to be turned end for end without difficulty.

THORNTON PATENT No. 698,157, OF APRIL 22, 1902: This patent relates to a photographic film roll which, in the construction shown, is exactly like that specified in the Flanigan claim, and is adapted for interchangeable use in a camera either as the receiving or delivering roll in the manner familiar to all users of kodaks or like film cameras. The spindle A is made of two half cylindrical sections of sheet metal which are united to form a cylindrical spindle provided with spool flanges C through

which the spindle protrudes to afford cylindrical bearings for permitting the rotation of the roll within the holder B. The ends of the spindle are slotted to afford a chuck engaging member well shown in Fig. 14. The modification of Fig. 15 shows the spindle constructed of a single piece. Page 1, line 71, defines the construction as follows:

> "The two inner walls also serve the purpose of engaging with a slotted key at one end, or with a tension device, friction-brake, or the like, or other mechanism that it may be desirable to connect therewith. The slotted key or other device is pushed onto the rib formed by the junction of the two walls, so that both will be rotated together."

KRAUSE PATENT No. 758,322, OF APRIL 26, 1904: This patent relates to a machine for rerolling cloth. This patent Fig. 4 shows a rewinding shaft for a roll of fabric squared at each end and adapted at each end to engage with journaled members, the arrangement being an interchangeable one as in Flanigan. Fig. 5 shows a spool or spindle precisely like the one claimed; that is to say, a spool having at each end a cylindrical portion and a squared chuck portion adapting the construction for interchangeable use.

In view of the fact that the present charge of infringement is predicated not upon the building of an entire machine but merely upon the supplying of an element to an authorized user of the respondent's machine, and in view of the fact that the particular spindle which the petitioner at one time furnished for use on these machines was *per se* of old and well-known construction in winding or reeling as evidenced by the patents above enumerated, and in view of the further fact that this is in no sense a case involving a charge of contributory infringement in the building of a wholly unauthorized machine, but rather one involving questions of reconstruc-

tion versus repair, we submit and insist that the respondent is disentitled to prevail on either side of the case and that the decree of dismissal should be affirmed.

It seems to us that all the authorities are in complete accord concerning the petitioner's right to equip respondent's spindles with petitioner's duplicating bands. In fact, we do not see how the doctrine of legitimate repair could be more aptly applied than to the facts of the present case. To hold that a user of one of these duplicating machines must petition the good graces of the plaintiff every time he desires to renew an unpatented duplicating band is to hold that the patentee can exact unlimited tribute throughout a long term of years after he has been paid in full for a machine and the right to operate the same in the intended manner until worn out. That such an unnatural monopoly is repugnant to the law is indicated by the language of the Court of Appeals for the Third Circuit. *Shickle* v. *St. Louis Car Coupler Co.*, 77 Fed., 740:

> "It can hardly be supposed that a railroad company would equip its cars with a patent coupling apparatus like the one in controversy, one part whereof is liable to be broken long before the drawheads are worn out, unless the purchase of the coupling apparatus was made on the implied understanding that the purchaser should have the right to replace that part of the apparatus, if it was accidentally broken, *without being compelled to pay further tribute* to the owner of the patent." (Italics ours.)

See also *O'Rourke Engineering Construction Co.* v. *M'Mullen*, 50 Fed., 343, the court said:

> "To hold that the purchaser and owner of one of these locks must pay royalty of $500.00 every time he broke or wore out a valve of a stuffing box, or lose his lock entirely would be carrying the doctrine of reconstruction too far."

From a consideration of the authorities it appears perfectly clear to us that the first charge of infringement finds no support in the present record.

The Second Charge of Infringement.

The second charge of infringement pertains to the sale by the petitioner of duplicating bands mounted upon spindles or spools of the petitioner's manufacture. What has heretofore been said with respect to the first charge of infringement applies *pro tanto* to the second charge, with the understanding, however, that the defendant in this case is supplying to the user two elements of the combination instead of one. It must be clearly borne in mind, however, that to give to the user of the machine full advantage of the right from time to time to renew the perishable or easily worn portion of the complete machine, and thereby to effectuate the right of the user to employ the machine until it is practically worn out, it becomes necessary on occasion to renew the spindles or spools as well as the duplicating bands carried thereby.

In the ordinary operation of the machine, a roll comprising the spool and the attached band will be employed for some days or weeks until the band has become saturated with ink after which the complete roll mounted upon its spindle is bodily removed from the machine and a new roll substituted. In these circumstances it frequently happens that the spindle becomes lost or destroyed, so that it becomes necessary to equip the machine with new spindles. This being, of necessity, a removable element, the likelihood of such loss or destruction is easily accounted for. To compel the user to secure new spindles from the respondent is to invest the respondent with the right to control the operation of an expensive machine, and even with the right to prevent the use thereof by the

imposition of prohibitive prices, and burdensome restrictions, so that the user, throughout a term of years will be subject to the domination of the respondent, provided the claimed right to control the supply of both bands and spindles is recognized and confirmed.

Conclusion.

All that Flanigan did in assembling the combination of elements set forth in claim 42 was to take an old and well known type of roll and spindle of the character set forth in the McIntire patent and to substitute for its paper roll a roll of gelatine of the old and well known type long used for transferring impressions. The only claim of novelty which is advanced on behalf of the respondent is that of convenience in shifting the roll end for end, but that is exactly the same convenience which is characteristic of the roll in the McIntire patent, and such convenience of manipulation is dependant in no way whatever upon the *gelatinous* character of the roll itself. On the basis of a claim of such doubtful patentability as this, the respondent has succeeded in establishing a monopoly in the sale of ordinary gelatine rolls to all its customers. No novelty is even claimed in the gelatine roll itself, but only in the spool upon which the roll is mounted—the old McIntire spool. Obviously if a monopoly in the gelatine roll may be maintained and perpetuated by the slightest kind of a modification or innovation in the structure of the spindle, the proper policy for the respondent to pursue is to take out a new patent coincident with the expiration of the Flanigan patent and incorporate a slightly different method of attaching the roll to the spindle and incorporate the new feature in its claims so that for another seventeen years it may have the

opportunity of controlling this trade, and so on *ad infinitum*.

It seems to us that such a practice constitutes "the perfect instrument of favoritism and oppression" which this court referred to in the Universal Film Co. case *supra*, and that an affirmance of the present decision will have the result of promoting all sorts of trivial patent expedients for the purpose of controlling every branch or trade which is in any way associated with the production or maintenance of patented machinery. It is believed that a proper application of the sound doctrine laid down by this court in the Wilson-Simpson decision will result in a complete reversal of the present decision and directions to dismiss the bill for want of equity.

Respectfully submitted,

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July, 1923.